Stephen Siller Tunnel to Towers Foundation

Financial Statements

December 31, 2023 and 2022

(With Independent Auditor's Report Thereon)

Certified Public Accountants

DeSantis
Kiefer
Shall &
Sarcone
LLP

Navigating the Road
to
Financial Security

Stephen Siller Tunnel to Towers Foundation

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Independent Auditor's Report

Board of Directors
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Opinion

We have audited the financial statements of Stephen Siller Tunnel to Towers Foundation which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Stephen Siller Tunnel to Towers Foundation as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stephen Siller Tunnel to Towers Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Stephen Siller Tunnel to Towers Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Stephen Siller Tunnel to Towers Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stephen Siller Tunnel to Towers Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

DeSantis, Kiefer, Shall & Sarrene, LLP

Staten Island, New York

November 13, 2024

Stephen Siller Tunnel to Towers Foundation

Statements of Financial Position

December 31, 2023 and 2022

Assets

	2023	2022
Current Assets:		
Cash and Cash Equivalents	$ 259,892,154	$ 160,338,661
Contributions Receivable, Net	12,236,939	7,184,268
Prepaid Expenses	2,759,229	3,496,452
Restricted Cash	2,431,462	4,911,022
Total Current Assets	277,319,784	175,930,403
Fixed Assets:		
Fixed Assets - Net of Accumulated Depreciation	94,623,832	48,124,065
Other Assets:		
Endowment - Investments	53,197,923	42,544,209
Endowment - Cash	2,991,408	1,733,885
Contributions Receivable, Net	1,779,514	
Right of Use Assets - Operating Leases	1,497,825	1,816,201
Other Assets - Net of Accumulated Amortization	59,531	74,510
Security Deposit	66,401	66,901
Total Other Assets	59,592,602	46,235,706
Total Assets	$ 431,536,218	$ 270,290,174

Liabilities and Net Assets

	2023	2022
Current Liabilities:		
Accounts Payable and Accrued Expenses	8,473,524	$ 6,642,474
Program Liabilities - Home Purchase and Renovations	17,206,855	
Short-Term Grants Payable	39,387,476	17,372,000
Short-Term Lease Liabilities - Operating Leases	316,029	262,669
Total Current Liabilities	65,383,884	24,277,143
Non Current Liabilities:		
Long-Term Grants Payable	47,058,981	35,604,585
Long-Term Lease Liabilities - Operating Leases	1,221,104	1,537,134
Total Non Current Liabilities	48,280,085	37,141,719
Total Liabilities	113,663,969	61,418,862
Net Assets:		
Without Donor Restrictions		
Undesignated	257,471,942	148,870,211
Designated by the Board for Endowment	56,189,331	44,278,094
Total Without Donor Restrictions	313,661,273	193,148,305
With Donor Restrictions		
Purpose Restrictions	4,210,976	15,723,007
Total Net Assets	317,872,249	208,871,312
Total Liabilities and Net Assets	$ 431,536,218	$ 270,290,174

Stephen Siller Tunnel to Towers Foundation

Statements of Activities
for the Years Ended December 31, 2023 and 2022

		2023				2022		
		Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:								
Support:								
Direct Public Support		$ 331,482,151	$ 476,965	$ 331,959,116		$ 279,913,146	$ 2,101,276	$ 282,014,422
Government, Corporate and Individual Grants		19,556,155	1,779,514	21,335,669		8,034,240		8,034,240
In-Kind Donations		122,433,168	121,310	122,554,478		180,745,718	276,990	181,022,708
Net Assets Released from Restriction		13,889,820	(13,889,820)	-		10,296,985	(10,296,985)	
Total Support		487,361,294	(11,512,031)	475,849,263		478,990,089	(7,918,719)	471,071,370
Revenue:								
Tunnel to Towers Run		3,515,421		3,515,421		3,739,740		3,739,740
Runs Across America		2,952,998		2,952,998		1,905,122		1,905,122
Stair Climb		771,829		771,829		685,652		685,652
Special Event Revenue - Gala	$ 479,700				$ 571,696			
Less: Direct Cost of Benefit to Donors	445,897				598,889			
Net Special Event Revenue (Loss)		33,803		33,803		(27,193)		(27,193)
Rental Income		400,005		400,005		413,598		413,598
Fundraising Revenue		2,865,711		2,865,711		730,154		730,154
Interest Income		2,174,473		2,174,473		24,561		24,561
Net Investment Return		8,839,019		8,839,019		(4,252,340)		(4,252,340)
Total Revenue		21,553,259		21,553,259		3,219,294		3,219,294
Total Support and Revenue		508,914,553	(11,512,031)	497,402,522		482,209,383	(7,918,719)	474,290,664
Expenses:								
Program Services								
Never Forget		73,699,440		73,699,440		104,194,039		104,194,039
In the Line of Duty		283,941,841		283,941,841		336,426,036		336,426,036
Total Program Services		357,641,281		357,641,281		440,620,075		440,620,075
Fundraising		24,373,726		24,373,726		14,842,873		14,842,873
Management and General		6,386,578		6,386,578		5,322,927		5,322,927
Total Expenses		388,401,585		388,401,585		460,785,875		460,785,875
Change in Net Assets		120,512,968	(11,512,031)	109,000,937		21,423,508	(7,918,719)	13,504,789
Net Assets, Beginning of Year		193,148,305	15,723,007	208,871,312		171,724,797	23,641,726	195,366,523
Net Assets, End of Year		$ 313,661,273	$ 4,210,976	$ 317,872,249		$ 193,148,305	$ 15,723,007	$ 208,871,312

Stephen Siller Tunnel to Towers Foundation

Statements of Cash Flows
for the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities:		
Change in Net Assets	$ 109,000,937	$ 13,504,789
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:		
Depreciation and Amortization	727,268	914,809
Unrealized (Gain)/Loss on Investments	(6,178,801)	4,651,831
Realized Loss on Investments	263,057	434,889
Donated Land, Buildings, and Equipment		(2,141,448)
Donated Securities	(5,075,482)	(4,987,785)
Donation of Building		623,000
Reduction in the Carrying Amount of Right of Use Asset	318,376	213,176
Provision for Uncollectible Contributions	18,487	389,965
(Increase) Decrease in Operating Assets		
Contributions Receivable, Net	(6,832,185)	(1,753,747)
Prepaid Expenses	737,223	3,069,528
Security Deposit	500	(33,670)
Increase (Decrease) in Operating Liabilities		
Accounts Payable and Accrued Expenses	1,831,050	(1,325,409)
Program Liabilities - Home Purchase and Renovations	17,206,855	
Grants Payable	33,469,872	52,976,585
Lease Liabilities - Operating Leases	(262,670)	(229,574)
Total Adjustments	36,223,550	52,802,150
Net Cash Provided By Operating Activities	145,224,487	66,306,939
Cash Flows from Investing Activities:		
Purchase of Investments	(16,152,136)	(43,019,729)
Sales of Investments	16,473,121	12,098,015
Purchase of Fixed Assets	(47,214,016)	(9,871,983)
Net Cash Used In Investing Activities	(46,893,031)	(40,793,697)
Net Increase in Cash, Cash Equivalents, and Restricted Cash	98,331,456	25,513,242
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	166,983,568	141,470,326
Cash, Cash Equivalents, and Restricted Cash - End of Year	$ 265,315,024	$ 166,983,568
Supplemental Cash Flow Information:		
Cash Paid for Interest	$ 0	$ 0

The Accompanying Notes are an Integral Part of these Financial Statements.

Stephen Siller Tunnel to Towers Foundation

Statement of Functional Expenses
for the Year Ended December 31, 2023

	Program Services					
	Never Forget	In the Line of Duty	Total Program Services	Fundraising	Management and General	Total
Salaries	$ 3,600,605	$ 7,587,432	$ 11,188,037	$ 3,151,782	$ 2,544,971	$ 16,884,790
Payroll Taxes and Benefits	913,104	1,835,617	2,748,721	749,274	592,548	4,090,543
Total Salaries and Payroll Taxes and Benefits	4,513,709	9,423,049	13,936,758	3,901,056	3,137,519	20,975,333
Advertising and Marketing	52,554,194	73,134,304	125,688,498	12,230,324	337,732	138,256,554
Bank Charges	1,479,204	3,100,509	4,579,713	1,240,199	1,033,499	6,853,411
Building Maintenance	131,629	367,445	499,074	98,307	84,277	681,658
Computer Expense	198,000	457,825	655,825	188,953	144,682	989,460
Consultants and Contractors	1,104,312	1,333,296	2,437,608	406,383	163,562	3,007,553
Utilities	29,091	236,464	265,555	22,525	18,112	306,192
Event Production	2,141,171	1,180,833	3,322,004	199,555	1,163	3,522,722
Food	158,763	7,583	166,346	9,433	2,059	177,838
Insurance	161,618	265,916	427,534	104,340	91,922	623,796
Meetings	86,251	111,114	197,365	53,239	11,622	262,226
Postage	51,382	1,479,231	1,530,613	99,711	101,489	1,731,813
Professional Services	172,268	1,274,367	1,446,635	169,073	220,984	1,836,692
Operating Lease Expense	76,380	156,232	232,612	62,493	52,077	347,182
Rent	30,583	62,556	93,139	25,022	171,358	289,519
Storage		201,386	201,386	1,803		203,189
Supplies	1,597,880	1,794,164	3,392,044	1,080,902	556,025	5,028,971
Telephone	17,083	41,414	58,497	14,301	11,612	84,410
Equipment	238,428	4,774	243,202	1,181	291	244,674
Taxes and Permits	63,838	422,151	485,989	18,628	35,037	539,654
Travel	1,393,558	1,109,800	2,503,358	421,063	30,158	2,954,579
Venue	372,282	24,810	397,092	1,938,177		2,335,269
Donations	5,768,675	129,799,856	135,568,531	166,655	41,023	135,776,209
New York City Run Costs	1,172,784		1,172,784			1,172,784
Merchandise	17,276	35,340	52,616	14,148	19,690	86,454
Outreach	19,339	57,535,725	57,555,064	1,799,439	13,185	59,367,688
Provision for Uncollectible Contributions			-		18,487	18,487
Amortization	3,295	6,741	10,036	2,696	2,247	14,979
Depreciation	146,447	374,956	521,403	104,120	86,766	712,289
	$ 73,699,440	$ 283,941,841	$ 357,641,281	$ 24,373,726	$ 6,386,578	$ 388,401,585

Stephen Siller Tunnel to Towers Foundation

Statement of Functional Expenses
for the Year Ended December 31, 2022

	Program Services					
	Never Forget	In the Line of Duty	Total Program Services	Fundraising	Management and General	Total
Salaries	$ 2,541,461	$ 4,508,832	$ 7,050,293	$ 2,057,586	$ 1,426,751	$ 10,534,630
Payroll Taxes and Benefits	598,486	1,137,540	1,736,026	530,222	472,581	2,738,829
Total Salaries and Payroll Taxes and Benefits	3,139,947	5,646,372	8,786,319	2,587,808	1,899,332	13,273,459
Advertising and Marketing	78,056,797	117,835,239	195,892,036	6,881,259	153,100	202,926,395
Bank Charges	1,126,462	2,131,067	3,257,529	1,052,432	701,622	5,011,583
Building Maintenance	126,615	213,707	340,322	81,769	124,900	546,991
Computer Expense	184,828	440,004	624,832	222,527	143,164	990,523
Consultants and Contractors	1,180,320	1,125,833	2,306,153	137,914	312,712	2,756,779
Utilities	23,588	118,129	141,717	22,287	22,498	186,502
Event Production	5,117,989	65,524	5,183,513	98,076	2,115	5,283,704
Food	535,114	1,309	536,423	33,058	226	569,707
Insurance	92,466	393,241	485,707	83,880	8,263	577,850
Meetings	65,467	98,376	163,843	44,521	11,510	219,874
Postage	34,278	5,976,558	6,010,836	223,128	196,714	6,430,678
Professional Services	49,475	651,196	700,671	27,717	84,525	812,913
Operating Lease Expense	46,741	182,404	229,145	46,741	31,160	307,046
Rent	19,979	132,302	152,281	20,216	206,462	378,959
Storage	5,155	73,340	78,495	4,625	25,933	109,053
Supplies	489,517	341,974	831,491	347,474	211,195	1,390,160
Telephone	16,827	28,914	45,741	13,482	8,989	68,212
Equipment	202,832	2,909	205,741	1,404	704	207,849
Taxes and Permits	56,970	313,246	370,216	24,298	26,369	420,883
Travel	1,711,258	598,171	2,309,429	171,384	11,567	2,492,380
Venue	503,235	5,781	509,016	1,040,463	1,839	1,551,318
Donations	9,160,642	147,819,514	156,980,156	25,077	550,946	157,556,179
New York City Run Costs	1,065,830	115,783	1,181,613	119,857	23,402	1,324,872
Merchandise	16,779	37,991	54,770	15,834	47,739	118,343
Outreach	975,964	44,820,756	45,796,720	1,326,678		47,123,398
Construction Costs		6,845,491	6,845,491			6,845,491
Provision for Uncollectible Contributions					389,965	389,965
Amortization		14,979	14,979			14,979
Depreciation	188,964	395,926	584,890	188,964	125,976	899,830
	$ 104,194,039	$ 336,426,036	$ 440,620,075	$ 14,842,873	$ 5,322,927	$ 460,785,875

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements
December 31, 2023 and 2022

1. Nature of Activities

The Stephen Siller Tunnel to Towers Foundation (herein referred to as the "Foundation") is a not-for-profit corporation that was established to honor the sacrifice of FDNY firefighter Stephen Siller, and all those who laid down their lives to save others on September 11, 2001. The Foundation also honors our military and first responders who continue to make the supreme sacrifice of life and limb for our country.

The Foundation accomplishes this mission through the following programs:

IN THE LINE OF DUTY PROGRAMS:

1) **Smart Home Program:** This program constructs custom, specially adapted Smart Homes for catastrophically injured service members and first responders to restore their ability to live a life of independence.

2) **Fallen First Responder Home Program:** The Foundation provides mortgage free homes to families with young children left behind when a firefighter or police officer is killed in the line of duty.

3) **Gold Star Home Program:** The Foundation provides mortgage free homes to families with young children when a service member dies in the line of duty.

4) **Homeless Veterans Program:** The Foundation is committed to end homelessness amongst the veteran community. Providing a safe and dignified residence is an integral part of helping veterans who are homeless reclaim their lives. Veterans in this program receive the support they need to help them address any obstacles to living a more independent life. In addition to delivering housing, the Foundation provides comprehensive care through its national case management team by connecting veterans who have additional needs with mental health counseling, addiction services, skills training and job placement.

NEVER FORGET PROGRAMS:

1) **National Tunnel to Towers Runs and Stair Climb Series**: The New York City 5K Run and Walk and the Tower Climb as well as the National Runs and Climbs are memorial events held in honor of Stephen Siller (FDNY), and all who perished on 9/11, as well as First Responders and military who have and continue to put their lives on the line to serve and protect our nation. The Foundation has established these memorial events so as a nation *We Will Never Forget!*

2) **Tunnel to Towers 9/11 Institute:** This is the September 11, 2001 education program. The Foundation has developed a curriculum for grades K-12 that can be accessed by teachers throughout the nation to educate children about the history of 9/11. The program also includes a mobile exhibit, which serves to educate and pay tribute to the sacrifices made on September 11, 2001.

3) **Wings of a Hero:** To help local community children in need who have lost a parent by providing assistance for school, counseling or other needs.

4) **Legacy Awards:** To assist families of military or first responders and other cases where there is immediate special financial need.

2. Summary of Significant Accounting Policies

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Method of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Contributions Receivable

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Foundation determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At December 31, 2023 and 2022, the allowance was $389,965.

Property, Equipment and Depreciation

Acquisitions of property and equipment are recorded at the purchase price. Contributions of land, buildings and equipment are recorded at fair market value when title is conveyed.

Depreciation of property and equipment is recognized over the estimated useful lives of the respective assets on a straight-line basis as follows:

Buildings	40 Years
Building Improvements	5 to 10 Years
Furniture, Fixtures and Equipment	3 to 5 Years

Investments

Investments are recorded at their fair values in the statement of financial position. Investment return is reported in the statement of activities and consists of interest and dividend income and realized and unrealized capital gains and losses.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Grants Payable

The Foundation has awarded several grants payable to other tax-exempt organizations in furtherance of its mission. Unconditional grants payable expected to be paid in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. In subsequent years, amortization of the discounts is included in program expense in the statements of functional expenses.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

> *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.
>
> *Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give are received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

The Foundation recognizes revenue from registration fees related to its runs, stair climb, and golf outings at the time of registration. These fees are nonrefundable. Special events revenue is reported less the direct benefit to donors, and contribution income is recorded for the excess received when the event takes place.

In-Kind Donations

The Foundation receives donations of supplies, equipment, gift cards and advertising for their various programs and fundraisers. These donations are recorded at their fair market value at the time of the donation.

Contributed Services

A significant portion of the Foundation's functions is conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements because the criteria for recognition under the FASB codification topic that addresses "Contributed Services" have not been met. This criterion requires that contributions of donated services be material in nature, that they create or enhance non-financial assets, or that they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Interest Income

Income generated from the Foundation's interest-bearing bank accounts is recognized when earned and reported as interest income on the Statement of Activities.

Advertising Expenses

Marketing and advertising costs are expensed as incurred.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Expenses that can be identified with a specific program and supporting service are allocated directly according to their expenditure classification. Other costs that are common to several functions are allocated among the programs and supporting services in reasonable ratios as determined by management.

Leases

The Foundation determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Foundation does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation represents that the tax-exempt status is still in effect at December 31, 2023.

The Foundation is subject to the provisions of the FASB ASC that addresses accounting and reporting for uncertainty in income taxes. Because of the Foundation's general tax-exempt status, this ASC topic has not had, and is not expected to have, a material impact on its financial statements.

Financial Instruments and Credit Risk

The Foundation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts.

Investments are made by diversified investment managers whose performance is monitored by the Foundation. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2023	2022
Financial Assets		
Cash and Cash Equivalents	$259,892,154	$160,338,661
Contributions Receivable, Net	14,016,453	7,184,268
Restricted Cash	2,431,462	4,911,022
Endowment – Investment	53,197,923	42,544,209
Endowment – Cash	2,991,408	1,733,885
Total financial assets	332,529,400	216,712,045
Donor-imposed restrictions: Funds subject to purpose and time restrictions	(4,210,976)	(4,911,022)
Net financial assets after donor-imposed restrictions	328,318,424	211,801,023
Less: Board-designated funds	(56,189,331)	(44,278,094)
Financial assets available to meet cash needs for general expenditures within one year	$272,129,093	$167,522,929

The Foundation receives contributions restricted by donors. The Foundation manages its liquidity and reserves by operating within a prudent range of financial soundness and stability, maintaining adequate liquid reserves to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

4. Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows:

	2023	2022
Cash and Cash Equivalents	$259,892,154	$160,338,661
Restricted Cash	2,431,462	4,911,022
Endowment – Cash	2,991,408	1,733,885
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statement of Cash Flows	$265,315,024	$166,983,568

5. Contributions Receivable

Unconditional promises to give are estimated to be collected as follows at December 31, 2023 and 2022:

	2023	2022
Within One Year	$12,626,904	$7,574,233
In One to Five Years	1,666,666	
Over Five Years	300,000	
	14,593,570	7,574,233
Less discount to net present value at rates ranging from 3.97% to 4.48%	(187,152)	
Less uncollectible promises to give	(389,965)	(389,965)
	$14,016,453	$7,184,268

6. Fair Value of Investments

The Foundation reports its investments at their fair values, in the following manner:

- Requiring consideration of non-performance risk when valuing liabilities;
- Defining fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishing a framework for measuring fair values; and
- Establishing a three-level hierarchy for fair-value measurement based upon the observability of inputs to the evaluation of an asset or liability as of the measurement date.

The three-level valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value levels:

- Level 1 – quoted prices for *identical* instruments in active markets;
- Level 2 – quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and mode-derived valuations for which the significant inputs are observable; and
- Level 3 – instruments for which the significant inputs are *unobservable*.

When available, the Foundation measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs may not be available for many assets and liabilities that the Foundation is required to measure at fair value (for example, in-kind contributions.)

The primary uses of fair value measures in the Foundation's financial statements are:

- Initial measurement of noncash gifts, including gifts of investment assets
- Recurring measurement of endowment and long-term investments (see Note 7).

7. Investments

Investments consist of the following at December 31, 2023 and 2022:

	2023	2022
Endowment and Long-Term Investments:		
Mutual Funds	$ 11,184,188	$ 9,697,636
Exchange-Traded Funds	22,864,815	16,827,907
Equities	6,518,674	5,007,777
Fixed Income	11,580,468	10,010,624
Fixed Annuity	1,049,778	1,000,265
Total Endowment and Long-Term Investments	$53,197,923	$42,544,209

As discussed in Note 6 to these financial statements, the Foundation is required to report its fair value measurements in one of three levels, which are based upon the ability to observe in the marketplace the inputs to the Foundations valuation techniques.

The following table presents investments measured at fair value at December 31, 2023 and 2022:

December 31, 2023

		Fair Value Measurement at Reporting Date Using		
	Total	Quoted Prices in Active Markets for Identical Asset (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	$ 11,184,188	$ 11,184,188	$ 0	$ 0
Exchange-Traded Funds	22,864,815	22,864,815	0	0
Equities	6,518,674	6,518,674	0	0
Fixed Income	11,580,468	0	11,580,468	0
Fixed Annuity	1,049,778	0	0	1,049,778
Total	$53,197,923	$40,567,677	$11,580,468	$1,049,778

December 31, 2022

	Total	Fair Value Measurement at Reporting Date Using: Quoted Prices in Active Markets for Identical Asset (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	$ 9,697,636	$ 9,697,636	$ 0	$ 0
Exchange-Traded Funds	16,827,907	16,827,907	0	0
Equities	5,007,777	5,007,777	0	0
Fixed Income	10,010,624	0	10,010,624	0
Fixed Annuity	1,000,265	0	0	1,000,265
Total	$42,544,209	$31,533,320	$10,010,624	$1,000,265

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2023 and 2022:

	2023	2022
Balance at Beginning of Year	$1,000,265	$ 0
Purchases of Investments	0	1,000,000
Investment Return, net	49,513	265
Distributions	0	0
Balance at End of Year	$1,049,778	$1,000,265

8. Fixed Assets

The summary of fixed assets at December 31, 2023 and 2022 is as follows:

	2023	2022
Land	$28,371,323	$16,202,301
Buildings	20,424,941	23,727,156
Construction in Progress	38,651,515	7,304,757
Building Improvements	8,399,333	2,203,998
Automobile	672,273	380,075
Equipment	1,117,409	606,451
Subtotal	97,636,794	50,424,738
Accumulated Depreciation	(3,012,962)	(2,300,673)
Net Fixed Assets	$94,623,832	$48,124,065

Depreciation expense for the years ended December 31, 2023 and 2022 was $712,289 and $899,830, respectively.

For the year ended December 31, 2022, the Foundation received a donation of a building and automobile totaling $2,141,444. This donation was recorded at the fair market value at the time of donation. These amounts were reported in-kind donations on the statements of activities.

Let Us Do Good Village

Beginning in 2022, the Foundation began construction of its Let Us Do Good Village in Florida. Costs recorded as construction in progress include improvements to the land, construction of an amenity center, and construction of three homes. Once construction is completed and buildings in the Village are occupied, the Foundation will begin depreciating these fixed assets.

Homeless Veterans Program

Starting in 2022, the Foundation initiated the acquisition and renovation of hotels to provide housing for homeless veterans. During the fiscal years ending December 31, 2023, and 2022, the Foundation invested approximately $15.5 million and $10.5 million, respectively, in buildings and improvements for this program. These expenditures are classified as In the Line of Duty program costs and are being capitalized in line with generally accepted accounting principles. Once renovations are complete and the hotels are occupied, the Foundation will record depreciation expense on these assets.

9. Other Assets

The summary of other assets at December 31, 2023 and 2022 is as follows:

	2023	2022
Domain Name	$149,794	$149,794
Accumulated Amortization	(90,263)	(75,284)
Net Other Assets	$59,531	$74,510

Amortization expense for the years ended December 31, 2023 and 2022 was $14,979 and $14,979, respectively.

10. Grants Payable

Grants payable are estimated to be paid as follows at December 31, 2023 and 2022:

	2023	2022
Within One Year	$39,387,476	$17,372,000
In One to Five Years	48,927,000	36,630,000
Over Five Years	1,800,000	0
	90,114,476	54,002,000
Less discount to net present value at rates ranging from 3.97% to 4.48%	(3,668,019)	(1,025,415)
	$86,446,457	$52,976,585

Grants payable are due for the following programs:

	2023	2022
United States Veterans Initiative	$50,935,399	$52,976,585
Mortgage Forgiveness Program	33,712,476	
Village Occupancy Liability	1,028,079	
Fire Family Transportation	770,503	
Total	$86,446,457	$52,976,585

11. Program Liabilities – Home Purchase and Renovations

As part of its In the Line of Duty home programs, the Foundation enters into commitments to purchase homes or perform home renovations for its recipients. At December 31, 2023, the Foundation entered into agreements to purchase homes or perform renovations within the next year totaling $17,206,855.

12. In-Kind Contributions

The Foundation received the following in-kind contributions for the years ended December 31, 2023 and 2022:

December 31, 2023

Program or Supporting Service	Donated Advertising	Donated Services	Donated Goods	Total
Never Forget	$ 51,424,659	$78,880	$ 45,901	$51,549,440
In the Line of Duty	48,602,869	13,332,159	970,976	62,902,004
Fundraising	2,555,468	428,034	125	2,983,627
Management and General	0	39,925	5,075,482	5,115,407
	$102,582,996	$13,878,998	$6,092,484	$122,554,478

December 31, 2022

Program or Supporting Service	Donated Advertising	Donated Services	Donated Goods	Total
Never Forget	$ 76,178,078	$131,018	$ 108,348	$76,417,444
In the Line of Duty	96,650,418	0	2,955,955	99,606,373
Fundraising	0	0	6,881	6,881
Management and General	0	3,275	4,988,735	4,992,010
	$172,828,496	$134,293	$8,059,919	$181,022,708

The Foundation receives significant in-kind contributions of time and pro bono services from members of the community and volunteers related to program operations, special events, and fund-raising campaigns. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

During fiscal years 2023 and 2022, the Foundation received donated services for security and consulting services. The Foundation also received contributions of advertising and donated goods.

All donated services and assets were utilized by the Foundation's programs and supporting services.

Included in donated services is in-kind outreach, valued at $13,322,420 for In the Line of Duty programs and $412,034 for Fundraising for the year ended December 31, 2023. The value of these donations is based upon the monetary value of the outreach segments. There was no in-kind outreach for the year ended December 31, 2022.

Donated gift cards totaling $100,000 and $276,990 were restricted at December 31, 2023 and 2022, respectively.

Donated advertising is valued based upon analysis by a media monitoring company that provides the Foundation with a monetary value of its audio, visual, and print advertising for the year.

Donated goods include donations of securities to the Foundation's endowment account. For the years ended December 31, 2023 and 2022, the value of the donated investments totaled $5,075,482 and $4,988,735, respectively. Investments are valued using the fair market value on the date of donation. It is the policy of the Foundation to sell the securities immediately upon receipt.

Donated goods for the In the Line of Duty program include:

- Gift cards, which are recorded based upon the cash value of the card received at the time of the donation. The value of the donated gift cards totaled $625,000 and $857,000 for the years ended December 31, 2023 and 2022, respectively.

- Donated materials for home construction, which are valued based upon the cost of those materials provided by the donor. Donated materials totaled $392,003 and $40,805 for the years ended December 31, 2023 and 2022, respectively.

- During 2022, the Foundation received a donation of a building with an appraised fair market value of $2,075,000.

During 2022, the Never Forget program received a donated automobile valued at $66,448, which represents the market value at the time of donation. Additional goods totaling $45,901 and $41,900 include food and venue donations for events held for the years ended December 31, 2023 and 2022.

13. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	2023	2022
Subject to expenditure for specified purpose - In the Line of Duty		
Smart Homes	$ 561,904	$ 2,392,462
First Responders	500,141	1,097,757
Gold Star Homes	350,856	5,503,610
Let Us Do Good Village	0	5,704,684
Homeless Veterans	0	193,240
Never Forget Relief	1,018,561	831,254
	$ 2,431,462	$15,723,007
Subject to the passage of time:		
Contributions Receivable	1,779,514	0
Total Net Assets with Donor Restrictions	$4,210,976	$15,723,007

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Satisfaction of purpose restriction:		
Smart Homes	$2,051,868	$531,740
First Responders	597,617	50,804
Gold Star Homes	5,323,270	631,991
Let Us Do Good Village	5,704,684	9,082,450
Homeless Veterans	193,240	0
Never Forget Relief	19,141	0
	$13,889,820	$10,296,985

14. Board Designated Endowment Funds

The Foundation's endowment fund includes net assets without any donor restrictions that have been designated for endowment by the Board of Directors. As of December 31, 2023, the board designated endowment fund totaled $56,189,331, which consists of $53,197,923 in investments and $2,991,408 in cash. As of December 31, 2022, the board designated endowment fund totaled $44,278,094, which consists of $42,544,209 in investments and $1,733,885 in cash.

Investment and Spending Policies

The Foundation has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment asset. Investments will be diversified to limit the risk of loss resulting from the concentration of assets in a specific type of investment, specific maturity, specific issuer or sector unless the Executive Board prudently determines that, because of special circumstances, the purposes of the Fund are better served without diversification. The Executive Board shall review the diversification strategy periodically, provided, however, that it shall review any decision to not diversify as frequently as circumstances require but, at a minimum, annually.

The Foundation is committed to administering and investing all endowed funds in compliance with all relevant Foundation by-laws, Foundational concerns, industry standards, and federal and state laws and regulations, including without limitation the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). No policy will supersede any provision of federal or state law or regulation.

Changes in endowment net assets for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Endowment Net Assets, Beginning of Year	$ 44,278,094	$28,542,379
Investment Return, net	3,867,827	(4,252,340)
Contributions	5,052,002	19,988,055
Endowment Net Assets, End of Year	$53,197,923	$44,278,094

In August of 2021 the Foundation purchased the building located at 2381 Hylan Blvd for the intent of acquiring additional employee office space to accommodate the current and future growth of the Foundation staff. The Foundation has determined that if the building is subsequently sold all proceeds will go directly to the Endowment Fund.

In December of 2023 the Foundation purchased the building located at 2187 Victory Blvd for the intent of acquiring additional employee office space to accommodate the current and future growth of the Foundation staff. The Foundation has determined that if the building is subsequently sold all proceeds will go directly to the Endowment Fund.

15. 403(b) Pension Plan

During 2015, the Foundation adopted a 403(b)-pension plan where eligible employees are able to contribute part of their salary into an account under their management and control. The Foundation will match employee contributions at 100% of the first 3% and 50% of the next 2%. The Foundation's share of pension expense for the years ended December 31, 2023 and 2022 totaled $434,847 and $284,872, respectively.

16. Lease Commitments

Operating Leases

The Foundation evaluated current contracts to determine which met the criteria of a lease. The ROU assets represent the Foundation's right to use underlying assets for the lease term, and the lease liabilities represent the Foundation's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Foundation has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2023 and 2022 was 1.71%.

The Foundation's operating leases consist of two leases for office space and one lease for warehouse space.

Total lease expense for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
Operating lease expense	$347,182	$307,045

Cash flow information for the year ended December 31, 2023 is as follows:

Operating cash flows from operating leases	$291,476
Weighted-average remaining lease term in years for operating leases	5.40
Weighted-average discount rate for operating leases	1.71%

Cash flow information for the year ended December 31, 2022 is as follows:

Operating cash flows from operating leases	$229,574
ROU assets obtained in exchange for new operating lease liabilities	$1,999,077
Weighted-average remaining lease term in years for operating leases	6.32
Weighted-average discount rate for operating leases	1.71%

The following displays the undiscounted cash flows due related to operating leases as of December 31, 2023, along with a reconciliation to the discounted amount recorded on the statement of financial position at December 31, 2023:

Undiscounted cash flows due:

For the Year Ending December 31,	
2024	$ 338,959
2025	288,435
2026	253,515
2027	259,958
2028	231,194
Thereafter	234,816
Total undiscounted cash flows	1,606,877
Less: present value discount	(69,744)
Total lease liabilities	$1,537,133

The Foundation also has several month-to-month leases for warehouse space.

17. Related Party Transaction

A company owned by the Chairman of the Board of Directors provides the Foundation with its office space in Staten Island, New York. Amounts paid to this company for rent in accordance with the rental agreement were $230,087 and $219,547 for the years ended December 31, 2023 and 2022, respectively.

18. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

19. Concentration of Credit Risk

The Foundation places its temporary cash and money market accounts with various financial institutions throughout the New York City area. Accounts at these institutions were insured for up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) at December 31, 2023 and 2022. The Foundation had uninsured balances of $157,000,121 and $160,689,630 at December 31, 2023 and 2022, respectively.

20. Subsequent Events

The Foundation has evaluated subsequent events through November 13, 2024, the date the financial statements were available to be issued and has determined that there are no reportable subsequent events or transactions that need to be disclosed in these financial statements.